

WHITE PAPER

# CARRIER CONNECTIVITY:

-----> THE CRITICAL COMPONENT  
OF **TRANSPORTATION**  
**MANAGEMENT** -----<

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**With capacity crunches, driver shortages, and other challenges making an impact on shipper operations, companies with the best-connected, automated carrier networks are winning the transportation management game.**

“Having a network of carriers **allows shippers to more seamlessly collaborate and exchange data with their carriers** – and to do things that aren’t possible if you are dealing with one-on-one connections and/or if your multiple vendors aren’t on the same TMS platform.”

– Bart De Muynck,  
Research Director  
at Gartner

Transportation management isn’t a solo venture. For a transportation management system (TMS) to move freight from origin to destination in the most reliable, efficient, and cost-effective manner possible, it has to include a level of carrier connectivity that no “manual” system can achieve. In fact, carrier connectivity typically serves as the underpinning for the TMS and acts as the very fuel of the transportation management system.

In this white paper we’ll explore the value of building a TMS on carrier connectivity, explain the difference between doing this yourself versus working with a vendor that has baked this connectivity into its solution, and show the benefits that come from making this move early in the TMS selection and implementation process.

We’ll also hear from a logistics service provider that’s seeing the rewards of carrier connectivity and discuss the overall benefits that both shippers and carriers gain when transportation partners are included in the TMS loop.

**INCORPORATING CONNECTIVITY INTO TMS**

During a recent Gartner meeting, Research Director Bart De Muynck said: “How well you run your transportation network has a direct correlation to revenue.” To maximize this correlation, companies must consider all elements of a TMS – including carrier connectivity – when selecting and implementing a new transportation solution.

And while companies often choose to jump right into the decision-making process without heeding this important advice, those that do put the time and effort into the carrier component usually realize a return on investment (ROI) much sooner.

“Shippers should carefully consider how to incorporate the carrier connection into their TMS projects,” says De Muynck, who adds that there are two ways to approach this task: buy a solution that comes with these connections “out of the box,” or build out your own network of carriers.

“When I was at PepsiCo we did the latter and had hundreds of carriers for North America alone,” De Muynck explains. “We had a separate team running the connectivity piece alongside the team that was implementing the TMS solution itself. It was pretty costly and time consuming.” De Muynck sees “obvious value and advantage” in acquiring a TMS solution that has integrated a complete carrier network into its technology solutions.

Regardless of how shippers choose to hook their carriers into their TMS, De Muynck says that the benefits of doing so are substantial. With visibility a key supply chain priority for most companies, he says automated connections and collaborations with carriers on the transportation front typically result in improved access to real-time data and information.

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– Patrick Maley,  
Chief Marketing Officer,  
BluJay Solutions

That, in turn, translates into better visibility over the transportation network – an asset that can help shippers more effectively manage issues such as capacity crunches and driver shortages. “Having a network of carriers allows shippers to more seamlessly collaborate and exchange data with their carriers,” says De Muynck, “and to do things that aren’t possible if you are dealing with one-on-one connections or if your multiple vendors aren’t on the same TMS platform.”

### MISSED OPPORTUNITIES

Carrier connectivity is one of the most overlooked areas during TMS implementation. When assessing the potential solution’s functionality and capabilities, for example, few shippers consider the importance of an existing carrier network.

“You can come up with the best plan in the world,” says Patrick Maley, Chief Marketing Officer at BluJay Solutions, “but unless you extend the technology out to your partners and get as many carriers as possible to leverage the TMS’ true value, the software won’t add much value for your business.”

And as De Muynck points out, building that network takes time and effort – sometimes as much as 12 months or more – as shippers wade through the process of contacting all carriers and figuring out what it will take to connect with them electronically, via EDI, or through a web portal.

Knowing how difficult this process is for the average shipper, BluJay has invested in extended functionality for its TMS by including connectivity to 16,000+ carriers as part of its software package. “When we start working with a new shipper, we usually already have the majority of its carriers onboard and ready to go from day one,” says Maley. “That alone significantly speeds up ROI and ensures that shippers can start transacting as soon as the solution is up and running.”

### BECOMING THE SHIPPER OF CHOICE

As an increasing number of shippers travel headlong into the driver shortage and more constrained transportation options, having access to a global trade network of “connected” carriers will become a must-have for all companies.

When standard carriers can’t provide capacity, it’s the shippers that have immediate access to already-connected carriers who will be the shippers of choice. Going a step further, carrier connectivity also helps shippers assess their transportation partners to determine the best possible matches (i.e., via a “carrier match” function). Finally, shippers that are electronically connected to their carriers have an information flow speed advantage and better data accuracy.

“When you have a TMS connected to a global trade network, you gain access to speedy answers and the chance to beat your competitors at getting your goods accepted by a specific carrier,” says Maley.

“Our entire business model is based on providing good information, from booking a load to selecting a carrier and straight through to delivery.

**The best way to get accurate information from a carrier is by tapping into its system;** that’s a foundation for our business.”

– Mike Mobley,  
Senior Vice President  
of Operations,  
Echo Global Logistics

From the carrier perspective, tapping into a broad network enables better visibility over the goods that are flowing from origin to destination, allows for faster payments, and gives it access to new market opportunities. A carrier that notices a specific, well-utilized route that it’s not working in, for example, may want to expand into that region.

Similarly, carriers can post capacity availability that, in turn, helps shippers select options that they may not have otherwise considered. “That way,” Maley points out, “carriers aren’t running half-empty trucks.”

#### **THE BROADER THE NETWORK, THE BETTER**

From a shipper’s point of view, the broader the carrier network, the better. That’s because large, collaborative global trade networks allow companies to transmit to more organizations, automate both the RFP and tendering processes, and tap into pre-existing carrier networks that make conversations easier and faster.

By leveraging carrier connectivity, organizations start to track and manage data, automate KPIs, and enable automatic monitoring of data to make sure they’re getting good carrier performance.

At Echo Global Logistics in Chicago, using technology to enable transportation and supply chain management services is a core business philosophy. Echo offers freight brokerage and managed transportation solutions for truckload, partial truckload, LTL, intermodal, and expedited freight.

According to Mike Mobley, Senior Vice President of Operations, the company maintains a proprietary, web-based technology platform that compiles and analyzes data from its large network of transportation providers to serve clients across a wide range of industries and simplify the critical tasks involved in transportation management.

“Our technology is a critical component of the transportation management services we provide,” says Mobley. “Our entire business model is based on providing good information, from booking a load to selecting a carrier and straight through to delivery. The best way to get accurate information from a carrier is by tapping into its system; that’s a foundation for our business.”

Echo uses its TMS to get current information on pricing, transit times, carrier availability, carrier performance on the specific lane, and other key points. “Trying to gather all of that information manually would be impossible,” says Mobley, whose team is charged with “plugging” new carriers into the network as they are signed on as partners.

In doing so Echo gains access to a broader, fully automated network and the dashboards and reports associated with it. Its carriers benefit from better visibility on overall spend, on-time performance, and other metrics that help them work better, smarter, and faster.

“We provide a broad, 3PL-based perspective and help the carriers understand where they’re doing well and where they could be improving,” says Mobley. “If we weren’t interfaced with them on that level, these carriers would be static.”

“Collaborations like these can help companies work more efficiently while also avoiding the negative impacts of the driver shortage and capacity constraints. **It all starts with an optimized TMS that’s connected to a reliable carrier network.**”

– Patrick Maley,  
Chief Marketing Officer,  
BluJay Solutions

## AN ENVIRONMENT OF COLLABORATION

With more companies focused on saving money and increasing efficiencies, carrier connectivity will become even more critical in the future. Add capacity crunches and driver shortages to the equation and the argument in favor of carrier-connected transportation management becomes even stronger.

“Shippers need to understand whether what they’re paying on a given route is higher, lower, or equal to the average that all other companies are paying,” says Maley. “Using a connected TMS that’s populated with normalized data (i.e., data that is standardized to bring all of the variables into proportion with one another) companies can more effectively benchmark and make better transportation decisions.”

By its very nature, carrier connectivity also creates an environment of collaboration between shippers and carriers, and it starts when both agree to get connected in the first place. Case in point: Echo is one of the more than 40,000 supply chain partners in BluJay’s network, and BluJay TMS customers are able to transact business and exchange information with the Chicago-based 3PL electronically.

In an environment like this, shippers can also collaborate with one another. A chemical shipper can collaborate with a manufacturer of consumer packaged goods to “share” a truck on a specific route, for example. Or, a shipper of refrigerated goods might use the truck on a one-way route and then “turn off” the cooling unit to allow a different company to use the same vehicle for dry goods on the way back.

Shippers with private fleets can also benefit from being plugged into a TMS, as they can put their extra capacity out to bid on the network and avoid sending out half-full trucks or having trucks return home empty after making a run.

“Collaborations like these can help companies work more efficiently while also avoiding the negative impacts of the driver shortage and capacity constraints,” says Maley. “It all starts with an optimized TMS that’s connected to a reliable carrier network.”



## CONTACT INFORMATION:

Learn more about how BluJay Solutions can help you achieve greater velocity in your transportation management and logistics functions by visiting us online at [www.blujaysolutions.com](http://www.blujaysolutions.com).

